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U.S. approves Veresen's LNG project in Oregon

By BRENT JANG

Terminal in Oregon will be supplied with Canadian natural gas to ship to Asia

The U.S. Department of Energy has approved an application to export liquefied natural gas from a proposed Oregon terminal that would tap into resources that originate in Canada.

The Jordan Cove LNG project, owned by an arm of Calgary-based Veresen Inc., will rely heavily on natural gas supplies to be transported through an existing pipeline network from Western Canada to Oregon.

Plans also call for building the 370-kilometre Pacific Connector feeder pipeline, co-owned by Veresen and Williams Companies Inc. of Tulsa, Okla., in an effort to bring in natural gas from suppliers in Wyoming and Colorado.

Veresen wants to export LNG to Asian customers in a fierce energy race on North America's West Coast. Rivals include one other U.S. Pacific Northwest project, Oregon LNG Marketing Co. LLC, and at least 14 B.C. LNG proposals. There is also global competition to export LNG to Asia, including from Qatar, Australia and Nigeria.

So far, Cheniere Energy Inc.'s Sabine Pass LNG project in Louisiana is the only LNG export project under construction in North America. Jordan Cove and five other U.S. proposals are awaiting approval from the U.S. Federal Energy Regulatory Commission.

Several B.C. LNG projects have been spending millions of dollars on site preparation and other costly preliminary planning, but none of the proponents have made final investment decisions.

Environmentalists and local residents oppose the Jordan Cove project in southern Oregon, but its backers point to economic benefits. Veresen chief executive officer Don Althoff said Monday that Jordan Cove will generate much-needed jobs and provide tax revenue to the Oregon government.

Last month, Canada's National Energy Board approved Jordan Cove's 25-year licence application to export up to 1.55 billion cubic feet a day of natural gas from Western Canada to the U.S.

Veresen said the Canadian natural gas will help supply the Oregon terminal to be constructed at Coos Bay. The LNG production launch is slated for early 2019.

The U.S. Department of Energy's 20-year authorization allows Jordan Cove to export nearly six million tonnes annually of LNG, subject to final regulatory approval. The department said it "considered the economic, energy security and environmental impacts" before giving its blessing Monday for Jordan Cove to export LNG to countries that do not have free-trade agreements with the United States. Jordan Cove needs to secure Asian customers to take delivery of LNG.

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